

EMPLOYMENT REPORT

PREPARED FOR WADDETON PARK LTD

JULY 2020



PCL Planning Ltd 13a-15a Old Park Avenue, Exeter,
Devon, EX1 3WD United Kingdom
t: + 44 (0)1392 363812
www.pclplanning.co.uk

Contents

1.	The Proposal	Page No. 3
2.	Unique Low Carbon Opportunity	Page No. 6
3.	The Evidence Base	Page No. 8
4.	Demand and Supply Issues	Page No. 13
5.	Conclusions	Page No. 20

Figures

Figure 1 - Tiverton Eastern Extension Area

Figure 2 – Main Street of 'Area B'

Figure 3 – Proposed Framework Plan

Figure 4 – Employment Land Supply

Figure 5 – JLL Key Sales/Lettings over the last 3 years

Figure 6 – Potential Employment Land Availability

Figure 7 – Hartnolls Business Centre Photos

Figure 8 – Plan of Hartnolls Business Centre

Figure 9 – Current Tenant Schedule

1. The Proposal

- 1.1 Hartnolls Business Park (HBP) is located on the eastern edge of Tiverton (the primary commercial hub of Mid-Devon). It is well connected, being some 6 miles from J27 of the M5 and circa 2 miles from the town centre. It is located on an (important and busy) existing bus route (Post Hill, the former A361) and therefore easily accessible from the residential areas of the town as well as the wider hinterland of it.
- 1.2 The eastern edge of Tiverton is planned to expand, in an easterly direction, towards Hartnolls Business Park (see area below outlined in brown on figure 1).

Figure 1 - Tiverton Eastern Extension Area



1.3 Land is allocated for this purpose in the Development Plan (Policy TIV1, page 53 of the Mid Devon Local Plan 2013-2033). That allocation is covered by an adopted SPD (Tiverton EUE Masterplan, adopted 2014). However, that SPD says little about 'Area B' and, last year, Mid Devon District Council (MDDC) consulted upon a further masterplan for part of that area – the 'Area B' masterplan). Interestingly that (Area B) emerging draft SPD includes a proposal for a main spine road to run east/west through Area B. That road must inevitably continue across our client's land to reach the existing road network (at Post Hill - see figure 2 below). *Figure 2 – Proposed Main Street of 'Area B'*



Fig.47 Street typologies and placemaking areas

1.4 The proposal is to expand the current business park, predominately in a southerly direction, and to meet the energy needs of the whole park (including migration of the existing business park) via a low carbon supply. The investment in the low carbon future needs would be enabled by an element of residential infill between the business park and the current edge of the allocated Tiverton eastern extension. This emerging form of

2. Unique Low-Carbon Opportunity

- 2.1 The proposed extension to HBP presents a unique opportunity to create a Business Park where energy use is provided from a genuine low carbon source.
- 2.2 There is an existing anaerobic digester (AD) at Hartnolls Farm (circa 100 metres to the west of the existing business park).
- 2.3 That AD was constructed in 2015. The AD runs a combined heat and power (CHP) system and a ground source heating loop.
- 2.4 The fuel source for this AD is principally agricultural feedstock and waste products (such as maize, whole crop, animal manures and whey). That fuel source is produced from the land at Hartnoll Farm.
- 2.5 The AD produces electricity and thermal heat.
- 2.6 Currently the AD produces surplus:
- heat (that is currently released to the atmosphere via the existing flue)
 - power of circa 500 kwh (exported to the national grid)
- 2.7 We are informed that both of these surplus' could be increased (without producing significant additional fuel source trips) so as to produce sufficient heat and power to meet the needs of the expanded business park and to meet the electrical supply needs of the existing business park.
- 2.8 The accompanying Energy Feasibility Report (produced by Carbon Plan Engineering, dated June 2021) explains this in more detail.

2.9 This proposal represents an opportunity to deliver a genuine, low carbon facility that will deliver genuine carbon savings over and above delivering this floorspace in another location. Such a system is quite distinct from the CHP system being utilised at Cranbrook (which was sold as 'green', but is gas fired), and that delivered at Pinhoe (which is also gas fired). Whereas this is a genuine, locally fuel sourced, CHP system that represents a significant move towards a sustainable, low carbon, business base for Tiverton and Mid Devon.

3. The Evidence Base

Context

- 3.1 Mid Devon is a predominantly rural district which covers an area of approximately 913 square kilometres. It is also located close to two of the main urban centres in the South West, Exeter and Taunton. The largest settlement in the district is Tiverton with a population of approximately 21,800. This is over a quarter of the total population of the entire district. Tiverton is relatively well connected being located at the junction of the A361 North Devon Link Road (linking the M5 and with the northern Devon towns of Barnstaple and Bideford) and the A393 (linking Exeter and Minehead).
- 3.2 The economic structure of the district is currently dependent upon jobs being provided, predominately to the north and south of the district, in Exeter and Taunton.
- 3.3 As the evidence base to the MDLP (the Employment Land Review, Lichfields, April 2018 [ELR]) identifies:

“Resident workers living in Mid Devon earn £499 per week (gross) on average, which is 2.8% lower than the average for the South West (£513) and 8.4% lower than the British average (£541) [paragraph 3.24].

The average earnings for residents in Mid Devon (£513.30) is 9.2% higher than for workers in the area (£470). This suggests that local residents are accessing higher paid jobs outside of these authority area in places such as Exeter, Taunton and Bristol. [paragraph 3.25]

According to the 2011 Census, Mid Devon had 28,335 resident workers whilst 20,218 people worked in the District. This implies that 8,117 people commute out of the District for employment purposes. The key destinations for out-commuters include: 1 Exeter: 6,738 Mid Devon resident workers employed in Exeter (50% of out-commuters)” [paragraph 3.30].

And therefore concludes that:

“There is a high level of out-commuting from Mid Devon, particularly to Exeter, East Devon and Taunton Deane. This has had the effect

of reducing its [Mid Devon's] jobs density level." [paragraph 3.40 (7)].

- 3.4 This high level of out-commuting from Mid Devon, particularly to Exeter, and Taunton is not only an economic vulnerability, but also a sustainability problem (with the high level of lengthy commuting trips giving rise to significant carbon emissions). There are therefore clear economic and sustainability benefits that can be achieved if the economic base of Mid Devon can be strengthened and more jobs provided within the district enabling a better balance between number of available jobs and the size of the active workforce.

Growing the Economic Base

- 3.5 Strengthening the economic base can be achieved in two main ways:

- 1) Inward Investment
- 2) Organic Growth

- 3.6 Inward investment to a predominately rural district such as Mid Devon is very difficult to achieve. Large scale inward investment tends to be concentrated on larger cities that benefit from excellent air, rail and road connection, as well as the provision of universities and a complimentary broad range of 'higher order' facilities. Therefore, in Mid Devon the predominant driver of growth in the economic base is likely to be organic growth.

- 3.7 The ELR identified that a lack of available sites/land was deemed the most pertinent barrier to future employment growth in Mid Devon. It was identified that:

"all Council-owned B-class floorspace has been let, but that it is continuing to receive significant levels of enquiries from a range of businesses seeking B-class accommodation. These enquiries are coming from local businesses and inward investors.....The lack of available employment land was considered a fundamental barrier to employment growth in the authority area." (paragraph 5.8).

- 3.8 One manufacturing company explained the difficulties that they had faced in finding additional premises to expand their operations (with a search for a new site still on-going after two years). As the ELR put the point:

"This company also provided anecdotal evidence about other food/farming businesses based within Mid Devon that are also finding it difficult to maximise their operations or expand due to lack of employment space. Other companies also indicated that they have been unable to expand their operations at their current sites."
(paragraph 5.30)

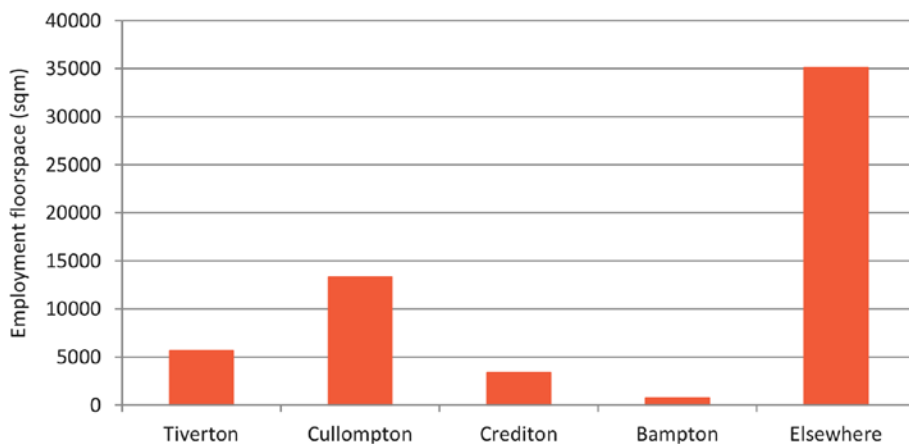
- 3.9 The shortage of available employment land and floorspace is viewed as a major problem and a potential risk to the future well-being of the economy. The availability of land was also seen as a barrier to the expansion of existing businesses and one which could result in their being forced to relocate outside of Mid Devon.
- 3.10 Therefore, a ready supply of suitable employment land is a key priority if the economic base is to grow and diversify (as opposed to withering due to relocation pressure).

Location

- 3.11 For this growth to be delivered in a sustainable manner it's important that sites are brought forward in the right locations.
- 3.12 The ELR identified that despite being the largest settlement, and the administrative centre of Mid Devon, Tiverton accommodated less than 10% of new B Class floorspace between 2006 and 2016.
- 3.13 In fact, figure 4 below (figure 4.3 of the ELR) highlights that the delivery of employment in the rural areas far outstrips that in the four defined centres in the first decade of the plan period. Without large scale delivery in the (not particularly sustainably located) rural locations, delivery of employment land over the last decade would have been dire.

Figure 4 – Employment Land Supply

Figure 4.3 Employment land developed by location, 2006-2016



Source: Mid Devon AMR 2016 / Lichfields analysis

- 3.14 This pattern of development is not consistent with a sustainable pattern of growth that reduces the need to travel. It appears that a lack of supply at sustainable locations has forced development to less suitable rural locations. The most sustainable pattern of growth (and that which would meet the expresses needs of most businesses looking for B-class land) would be to provide suitable B-class land at Tiverton.
- 3.15 It's therefore unsurprising that the ELR identified consistent responses in connection to where employment land is required in the future, with Tiverton being recognised as the most appropriate location for employment land provision.

Quality

- 3.16 The ELR (paragraph 5.12) also identifies that there needs to be a shift towards delivery of higher quality accommodation in the future, which may aid the expansion of the professional services/R&D market. The implication of this is that, going forward, quality will need to be considered alongside quantity when seeking to identify land for employment development. This qualitative element reinforces the need for greater delivery at Tiverton to complement the recent growth adjacent to the M5 corridor which is more related to storage/warehousing/logistics uses (which are typically large users of space with a relatively ratio of jobs per square foot).

ELR Recommendations for Action

3.17 Recognising this the ELR concluded that:

“Going forwards, the delivery of employment land should be monitored and reviewed on a regular basis and in the event that additional land is found to be needed then it might be appropriate to bring forward additional sites for development. As such, the identified employment land provision should be viewed as a minima rather than a maxima. Paragraph 7.10)

Accordingly, it is important to recognise the potentially important role of windfall development.” (paragraph 7.11).

3.18 This proposal is in accordance with those recommendations.

4. Demand and Supply Issues

4.1 In a recently published report supporting the expansion of Hitchcock's Business Park (dated March 2019) JLL identified evidence of recent demand in the property transactions that have occurred in Mid Devon. Their table (reproduced below) shows the key sales/lettings in the district over the last three years.

Figure 5

Property	Size (Use)	Occupier (Year)
Unit 3 Carlu Close, Hitchcock's Business Park, Willand	20,180 sq ft (Distribution)	Mid Devon District Council (2016)
Unit 1 Carlu Close, Hitchcock's Business Park, Willand	17,438 sq ft (Distribution)	Gregory Distribution (2016)
Finsbury House, Tiverton Business Park, Tiverton	24,757 sq ft (Manufacturing)	Mid Devon Glass (2017)
Unit 7 King Place, Hitchcock's Business Park, Willand	24,000 sq ft (Manufacturing)	Dragonfly Foods (2017)
Unit 2 Carlu Close, Hitchcock's Business Park, Willand	27,180 sq ft (Distribution)	DFS (2017)
Venn Farm, Cullompton	7 net acres (Manufacturing)	Goonvean (2017)
Unit 3 Woodlands Business Park, Burlescombe	25,070 sq ft (Distribution)	FW3 Group (2017)
Unit 5 Lucas Way, Hitchcock's Business Park, Willand	31,969 sq ft (Distribution)	Gregory Distribution (2018)
Unit 4 Carlu Close, Hitchcock's Business Park, Willand	25,187 sq ft (Distribution)	Otterdene (2018)

Existing Buildings

4.2 They estimated that the supply level of existing floor space in Mid Devon as at 1st March 2019 was around 150,000 sq.ft. This is buildings that are on the market on a freehold or leasehold basis. They stated that whilst they do not keep historic records of supply in the district, they were of the opinion that the current low level of supply, must be an 'all-time low'.

4.3 Unfortunately, as has been demonstrated many times before, in the absence of suitable options to expand locally (available within a 9-12 month window) occupiers will either move geographically to other locations out of district, or simply not grow.

Potential Employment Land Supply

- 4.4 We summarise below our understanding of the potential employment land supply for Mid Devon.
- 4.5 *Hitchcock's Business Park* - Extends to 8 .1 ha (20 acres) set in a rural environment. The site is owned by a locally based landowner / developer and consists of high specification units in a modern business environment. Current occupiers include Gregory Distribution, Mid Devon District Council, Cornish Mutual, Trucksmith, DFS, Marstons and FloGas. The site suits distribution and logistics occupiers and therefore appeals to a big box market that will not directly compete with HBC.
- 4.6 *Mercury Business Quad World Business Park, nr Willand* – A small site adjacent to Quad World on the M5 near Willand. The site consists of development land with planning permission for numerous small units.
- 4.7 *Cullompton Business Park* - Forms two separate sites with planning permission for a large scheme of small to large individual business units. This site has been in the open market for many years but has been withdrawn numerous times due to environmental and legal issues.
- 4.8 *Mid Devon Business Park* - Consists of a (4 ha) 10-acre landscaped business environment just off the M5 motorway. The site is home to a number of growing businesses and suitable for a variety of uses. Such uses include offices, warehousing, business units, and other assembly and leisure uses.
- 4.9 *Units 1-10 Sebale Business Park, Cullompton* - 10 small business units available early 2021. Situated close to the M5 the site consists of D&B circa 100 sq m business units. The scheme will compete with Mercury Business Park.
- 4.10 None of the above sites will meet the expressed needs for Hartnoll Business Centre (see section on demand, overleaf).

Tiverton

- 4.11 The only allocation within Tiverton is the EUE. The site benefits from an outline consent, but not reserved matters. There are also a number of pre-commencement conditions that need to be discharged before a commencement is made. The site is some way from being capable of occupation by employment users (at least 5 years). The Plan predicted that the EUE would be phased over a period of 10 – 15 years and consequently is not going to provide a short or medium term supply. Further, the type of employment space provided, embedded as it will be within a residential area, is not suitable for the types of uses that are likely to be accommodated at Hartnolls Business Park.

Demand

- 4.12 A search of Vickery Holman's (VH) register of businesses currently seeking employment space within the HBC catchments revealed 29 live enquiries for a variety of uses from food production, warehouse storage, trade counter, offices and fitness suites, all of which can be accommodated at HBC. The total space requirement equates from approximately 6,500 sq m (70,000 sq ft).
- 4.13 Dean Edwards (of Weldon Edwards agents for HBC) have recently pre-let the four new workshops currently being built at HBC and have a waiting list of four/five businesses wanting to take up any space that becomes vacant on HBC.

The Current HBP offer

- 4.14 The existing HBC is an established and successful business park that has evolved over past 30 years which, over time, has been improved and extended to create a mix of old and new workshop, studio, office and storage space.

4.15 The current accommodation extends to over 9,300 sq m (100,000 sq ft) including:

- 7,260 sq m (78,100 sq ft) of industrial style workshop /warehousing
- 230 sq m (2,500 sq ft) of bespoke office space,
- open storage land of 1,500 sq m (16,140 sq ft)
- and container storage 280 sq m (3,000 sq ft)

The range of uses include solicitors, fitness gym, trade counter and manufacturing.

Figure 7 HBC



4.16 The quality of the buildings is good. The estate is well maintained and provides an attractive working environment in a well landscaped park.

Figures 8 and 9



<u>Unit</u>	<u>Size of Unit SQM</u>	<u>Usage</u>
Unit 1	421.59	B1 B2
Unit 2	433.44	B1 B2
Unit 2a	155.23	B1 B2
Unit 3	434.76	B1 B2
Unit 4a	164.25	B1 B2
Unit 4b	164.25	B1 B2
Unit 4c	165.16	B1 B2
Unit 5	298.49	B1 B2
Unit 5a	199.17	B1 B2
Gd Floor Meriel Suite	60.29	B1
Grd Floor Wilcox Suite	70.37	B1
1st Floor	71.09	B1
Unit 7a	266.42	B1 B2
Unit 7b	177.44	B1 B2
Unit 7c	181.99	B1 B2
Unit 8a	90.96	D2
Unit 8b	139.02	D2
Unit 8c	90.96	B1 B2
Unit 8 Offices	35	D2
Unit 14	268	B1 B2
Unit 15	268.7	B1 B2
Unit 16	268.7	B1 B2
Unit 17	408	B1 B2
Unit 18	960	B1 B2
Unit 19	394.8	B1 B2
Unit 20	394.8	B1 B2
Unit 21	394.8	B1 B2
Unit 22	394.8	B1 B2
Unit 23	120	B1 B2
Unit 24	93	B1 B2
Unit 25	185.8	B1 B2
Sub Total	7,771.28	
C1	185.8	
C2	92.9	
C3	464.5	
C4	232.2	
C5	464.5	
Sub Total	1,440	
TOTAL	9,211.28	

The HBP Extension Proposals

- 4.17 HBP is established as successful modern business park which has no current voids and a waiting list of potential tenants indicating unmet expansion pressure.
- 4.18 Tiverton is a well established and robust economy resulting in good levels of demand for workspace.
- 4.19 There is an opportunity to create a sustainable, low-carbon business park, in a location where supply has been unduly constrained for a considerable period of time.
- 4.20 The principle of the scheme is to focus on both inward investment and indigenous business growth, but not try and compete with the 'big box' parks being developed around Cullompton/the M5 corridor.
- 4.21 The proposal seeks to create a business hub building that includes flexible office space suitable for co-working with provision of public and private meeting spaces, tele-conferencing suites.
- 4.22 A key component to the success of the enlarged park will be flexibility. In particular, modular units will facilitate this. Landscaping, open break-out space and parking will be key ingredients to creating a good working environment.

5. Conclusions

- 5.1 Employment development in this location may serve to claw back some of the jobs/investment that are/is currently being lost to other settlements outside Mid Devon.
- 5.2 The evidence of the current market indicates that demand exceeds supply and short/medium term opportunities are unlikely to address this imbalance and there is a strong case for more workspace to be delivered at Tiverton in an expedient manner.
- 5.3 There is a clear need for additional land to be released now, and HBC can meet that need, uniquely in a low carbon manner.
- 5.4 The eastern extension (allocated in the MDLP) will (once fully developed, it is currently in the process of being implemented) bring development within one field's width of the current business park.
- 5.5 This proposal, released now, will enable current employment needs to be met in a low carbon manner, as part of planned growth to Tiverton.